

Roll Out of New MPC&A ICL

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Since Last We Met

- Improved Internal Control Program (ICP) released
- New commodity disposition procedures released
- New ICL issued

Improved MPC&A ICP

- Significant expansion requested by Commerce during 2004 HQ Compliance Review
- Include all who are involved in ICL process
- Clearly identify responsibilities and requirements
- Describe review and approval procedures

Improved MPC&A ICP (cont.)

- Drafts of initial revisions reviewed by Commerce Compliance Office
- Draft reviewed by Lab MPC&A Export Managers and Headquarters Project Managers
- Released September 2005
- Implemented as a real-time document on the MPC&A Website as part of new ICL application April 2006

Commodity Disposition Procedures

- ICL and IVL conditions require Commerce approval of sale, transfer or re-export commodities
- Procedures address transfer, cannibalize, destroy/dispose or abandon
- Russian law on gratuitous technical assistance (taxes) impacts the decisions to transfer

Commodity Disposition Procedures (cont.)

- Draft procedures sent to LMEMs last spring
- Input from property management sections
- Flow chart – share with anyone
- Written procedures – limit to U.S. team members to avoid political issues
 - Not assume to know or understand tax laws
 - Not appear to direct foreign activities

Chronology of New ICL

- ICL S000005 to expire February 2006
- Polled LMEMs for changes and additions
- Discussions with Commerce summer 2005
- Applied for new license September 14, 2005
- 30-day extension for interagency review
- Verbal approval March 30, 2006
- Suspended use of S000005 March 30, 2006
- Implemented S000030 on Website April 10, 2006

Structure of New ICL

- Updated Commodity List
 - Reclassified non-proliferation (999) items
 - Add explosives detectors (2A983)
- Scrubbed Consignee List
 - Remove abandoned sites
 - Add two new sites
 - Correct/update names and addresses

Lessons Learned

- Coordinate with
 - LMEMs and project managers
 - Commerce before start
- Communicate
- Expect delays and problems
 - Commerce computer limitations
 - Interagency questions